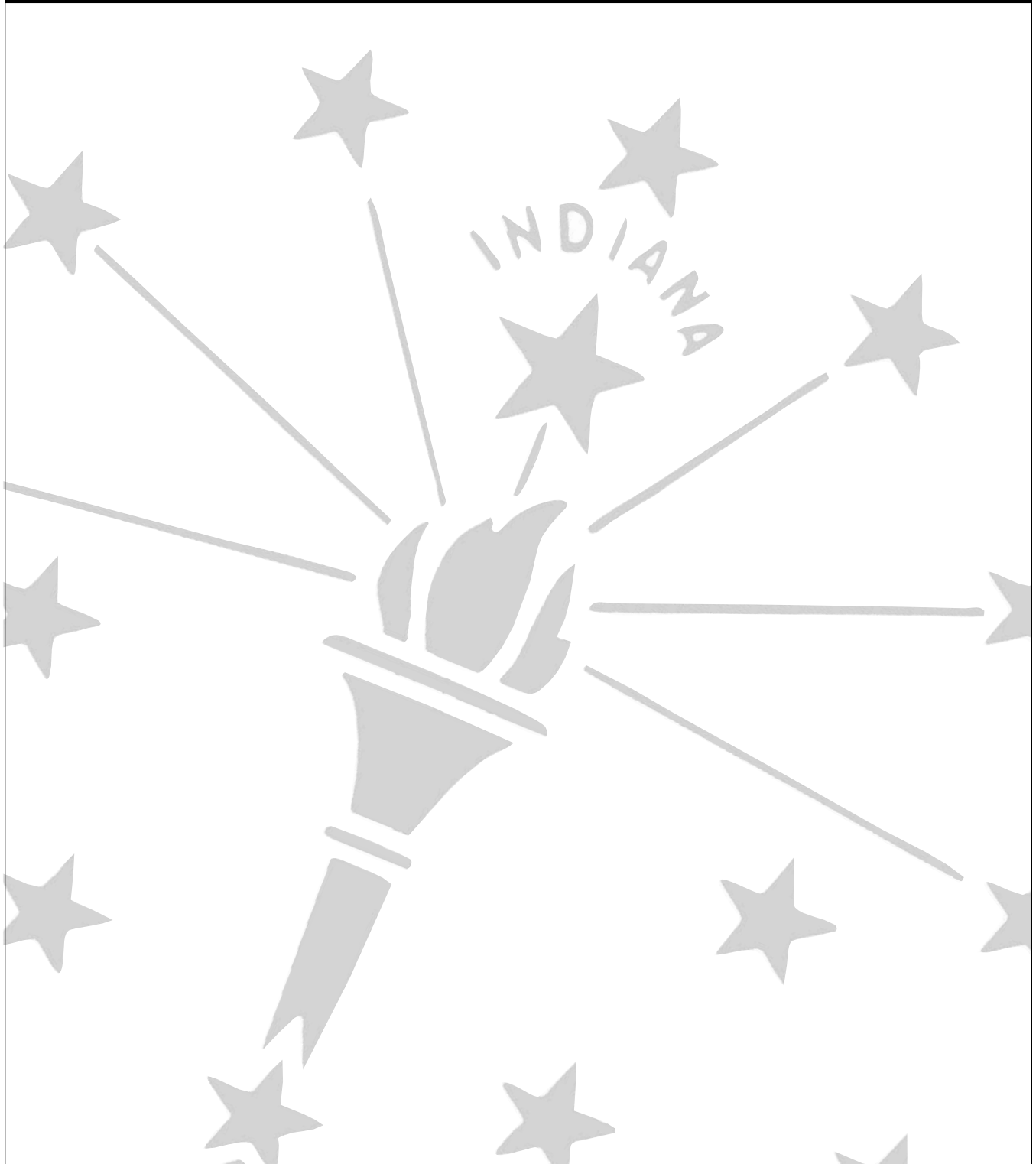


Distributed Generation Grant Program (DGGP)

Program Guidelines



Distributed Generation Grant Program Guidelines

Introduction

The objective of the Distributed Generation Grant Program (DGGP) is to enable businesses and institutions to install and study alternatives to the central generation of electricity such as fuel cells, micro turbines, cogeneration, combined heat and power and renewable energy sources. Funding of up to \$30,000 is available per applicant.

The Energy Policy Division (EPD) of the Indiana Department of Commerce administers the DGGP. These guidelines describe preferred projects, the grant approval process, specific information required in an application and the criteria used to evaluate projects.

Eligible Applicants

Businesses, nonprofit institutions and units of local government (including public schools) are eligible to apply for grants. Eligibility for this loan program is limited to companies and organizations that operate in the state of Indiana or will operate in the state as a result of this project.

Eligible Projects

All projects must occur in Indiana; be technically feasible for full-scale operation; and comply with all applicable environmental, safety and legal regulations. Eligible projects are those that demonstrate measurable energy savings in kWh, Btu or other units of measurement, or that will offset the use of significant amounts of fossil fuel.

To be considered for funding, a project must provide baseload power of at least 20 kW for the facility at which it is located. The project should also have a thermal efficiency of 50% or greater, involve fuel cells, or take advantage of a renewable energy source. Projects that provide more than just electricity (cogeneration) or employ renewable energy are preferred. Wind turbine, photovoltaic, biomass, landfill and digester gas projects are considered to employ renewable energy.

Ineligible Projects

- Backup generators
- Peak shaving generators
- Demand Side Management (DSM) projects
- Transportation projects
- Residential projects
- Projects that will be owned or operated by a regulated utility

Grant Amount

Grant amounts start at \$5,000 and are available up to a maximum of \$30,000. Grant amounts are determined according to the following formulas:

- Where the average thermal efficiency of the distributed generation facility is greater than 50%, the eligible amount is equal to 20% of the equipment cost or \$30,000, whichever is less.
- Where the average thermal efficiency of the distributed generation facility is greater than 70%, the eligible amount is equal to 30% of the equipment cost or \$30,000, whichever is less.
- Where the distributed generation facility uses renewable energy, and/or low or zero emissions technology such as fuel cells, the eligible amount is equal to 30% of the equipment cost or \$30,000, whichever is less.

Program Objectives

The EDP is particularly interested in projects that employ high efficiency, renewable energy and low emission technologies. Each project application will be evaluated in terms of the following DGGP objectives:

- **Project Soundness** – Projects should be technically feasible and economically sound. Commercially proven technologies are preferred.
- **Energy Savings and Pollution Prevention** – Projects should result in some or all of the following: measurable energy savings, fossil fuel displacement, pollution prevention and waste diversion.
- **Project Economics** – Projects should have a payback no longer than the anticipated life of the equipment. Projects should reduce operational costs, improve business opportunities and optimally provide for new job creation.
- **Economic Development** – Where appropriate, applicants are encouraged to partner with other organizations that may include trade organizations, units of government, economic development corporations, utilities and other companies to expand the impact of the project.

Application Process

The DGGP is administered by the Indiana Department of Commerce's Energy Policy Division (EPD). Interested parties should contact the EPD to discuss their project and request an application.

Applicants will be required to provide answers in all sections of the application form. Applicants will also be required to provide complete documentary materials including bids or estimates from vendors and contractors, as well as energy and energy cost savings estimates.

Completed applications are reviewed by EPD's DGGP review team. The review team evaluates applications against program guidelines and objectives and determines funding amounts. Only costs incurred after the review team has approved funding are eligible for reimbursement.

The state's share of any project costs is subject to availability of funds.

Financial Profile

Applicants will be required to submit documentation that they can meet their financial obligation for the project for which funding is requested. The portion of the project not funded by the DGGP must be funded by applicant equity or debt.

Environmental Compliance

All applicants must comply with all applicable federal, state and local environmental laws and regulations. Copies of the cover sheet of all applicable permits must be provided with the application. If implementation of the project will require changes in existing permits or will require new permits, a full description must be provided. Failure to comply with federal, state and/or local environmental laws and/or regulations may result in rejection of an application.

Confidential Information

To the extent feasible and permissible by law, the Indiana Department of Commerce (IDOC) will honor an applicant's request that confidential information submitted to IDOC remain confidential. IDOC will treat information as confidential only if (i) the information is in fact protected confidential information, such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of IDOC to disclose the details and results of the project to the general public.

For More Information

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